



CITY OF SAN DIEGO

CHAIRPERSON'S REPORT

TO THE:

CITY COUNCIL STRONG MAYOR-STRONG COUNCIL TRANSITION COMMITTEE

Scott Peters, District 1, Chair
Michael Zucchet, District 2 Councilmember
Toni Atkins, District 3 Councilmember
Tony Young, District 4 Councilmember
Brian Maienschein, District 5 Councilmember
Donna Frye, District 6 Councilmember
Jim Madaffer, District 7 Councilmember
Ralph Inzunza, District 8 Councilmember

DATE: May 23, 2005 **Corrected Version**

ATTENTION: City Council Transition Committee
Meeting of May 19 and May 26, 2005

SUBJECT: Independent Budget Analyst and Legislative Analyst - **Updated**

This report has been updated due to new information received from the City Attorney's Office.

SUMMARY

Issues

1. Determine the roles and responsibilities of the Independent Budget Analyst.
2. Determine the roles and responsibilities of the Council Office of Legislative Analyst.
3. Determine if a Council Office of Legislative Analysis and the Office of the Independent Budget Analyst ~~one Office of Analysis~~ should be created to include a

~~fiscal wing (the Independent Budget Analyst) and a policy wing (the Legislative Analyst).~~

4. Determine the staff size, staff qualifications and level of positions that make up the new Council Office of Legislative Analysis and the Office of the Independent Budget Analyst-Office of Analysis.
5. Determine the reporting structure to the City Council.
6. Request that the City Manager report back with a plan to budget the functions under the Council Office of Legislative Analysis and the Office of the Independent Budget Analyst-Office of Analysis.

Chairperson's Recommendation – Note, the Chair's recommendations have been updated due to new information from the City Attorney's Office.

1. Create a Council Office of Legislative Analysis and the Office of the Independent Budget Analyst. ~~Create one Office of Analysis that would include a fiscal wing (the Independent Budget Analyst) and a policy wing (the Legislative Analyst).~~
Consultants: Create one Office of Analysis that would include a fiscal wing (the Independent Budget Analyst) and a policy wing (the Legislative Analyst).
CAC: Concur, with clarification from the City Attorney.
2. The roles and responsibilities of the Independent Budget Analyst should include the review and analysis of the Mayor's proposed annual budget as well as the review and fiscal analysis of proposed legislation. All reports to the City Council should include a fiscal analysis from the IBA. The IBA will write a comprehensive report to the City Council on the Mayor's proposed budget, and provide quarterly reports to the City Council on the development of the next fiscal year's budget.
Consultants: Concur
CAC: Concur
3. The roles and responsibilities of the Council Office of Legislative Analyst should include generating reports on pending legislation when requested to do so by Council, and conducting research and analysis when requested to do so by Council of legislation introduced by the Mayor, City Council, Council Committees, or individual Councilmembers.
Consultants: Concur
CAC: Concur
4. The Council Office of Legislative Analysis and the Office of the Independent Budget Analyst-Office of Analysis should be staffed appropriate to their ~~its~~ missions. Initial staffing should begin with 9 professional positions including 4 ~~Director of Analysis~~, 5 4 fiscal analysts, 4 policy analysts, and a small support

staff. The directors of the offices should have ~~an~~ advanced degrees in policy, economics and/or law and the analysts should have a minimum of a 4-year degree.

Consultants: No recommendation on this latest proposal.

CAC: Concurred that the office should be adequately staffed - with a staff that is at least half size of the City Manager's staff that currently performs the annual budgetary functions.

5. The Council Office of Legislative Analysis and the Office of the Independent Budget Analyst-Office of Analysis reporting structure should be prioritized as follows: 1. City Council as a whole, 2. Presiding Officer, 3. Committee Chairs, and 4. Individual Councilmembers.

Consultants: Concur

CAC: Concurred that there should be a reporting structure, with highest priority given to the City Council as a whole.

6. Direct the City Manager to develop a plan to adequately staff the Council Office of Legislative Analysis and the Office of the Independent Budget Analyst-Office of Analysis, include them Office of Analysis in the FY 06 budget, and develop a reporting structure to be voted on at a future Transition Committee meeting.

Consultants: No Recommendation

CAC: No Recommendation

Fiscal Impact – \$250,000 was included in the FY 2006 Proposed Budget for support for the Transition to Strong Mayor form of government - acknowledging that any new functions would begin six months into the fiscal year and adjustments would most likely occur during the Council's transition planning. The goal is to create a cost-neutral transition plan that will adequately staff the Council Office of Legislative Analysis and the Office of the Independent Budget Analyst-Office of Analysis by reallocating existing FTE positions budgeted in the FY06 budget.

BACKGROUND

Proposition F, approved by the voters last November, states that:

"The Council shall have the right to establish an Office of Independent Budget Analyst to be managed and controlled by the Independent Budget Analyst. The Council shall appoint this independent officer who shall serve at the pleasure of the Council and may be removed from Office by the Council at any time. The Council shall determine the powers of this Office and its manager by ordinance." [Charter Section 270(f)]

DISCUSSION

To provide the Council with a framework for discussion, the City's consulting team has conducted both academic and anecdotal research of cities throughout the country that have structures and/or experiences that would be applicable to the City of San Diego's transition. The consultant's report describes in greater detail case studies of cities that have undergone similar transitions and implemented varied independent budget functions as part of their governmental structure. The consulting team also researched cities that have implemented varied legislative analysis functions including Los Angeles, San Francisco, Detroit, Indianapolis, Jacksonville and Oakland.

To initiate Council dialogue on these topics, outlined below are recommendations on the structure that could be considered for San Diego.

Office of the Independent Budget Analyst (IBA) and Council Office of Legislative Analysis Recommendations

1. Create ~~one new~~ a Council Office of Legislative Analysis and the Office of the Independent Budget Analyst ~~Office of Analysis with a fiscal wing and a policy wing.~~
2. Office of the Independent Budget Analyst ~~Fiscal wing~~ duties and responsibilities: review and analyze annual budget presented by the Mayor; analyze and report on fiscal matters on proposed legislation; produce quarterly budget reports to the Council; and conduct any special studies if requested by the Council as a whole.
3. Council Office of Legislative Analysis ~~Policy wing~~ duties and responsibilities: analyze and present reports on legislation when requested to do so by Council ~~initiated by the Council~~; provide research and analysis when requested to do so by Council on legislation initiated by the executive branch and other agencies; and conduct any special studies if requested by the Council as a whole.
4. Appointment of the directors of the Council Office of Legislative Analysis and the Office of the Independent Budget Analyst ~~Office of Analysis~~: the City Council should establish a hiring committee for the purposes of selecting the directors. The directors would be responsible for hiring the other staff members.
5. Staff Size: the Council Office of Legislative Analysis and the Office of the Independent Budget Analyst ~~Office of Analysis~~ could start with 9 professional positions including ~~1 Director of Analysis, 5~~ 4 fiscal analysts, 4 policy analysts, and a small support staff. Staffing levels could be evaluated after the first year to determine the adequacy.
6. Staff Qualification: the directors should have advanced degrees in policy, law and/or economics and the analysts should have a minimum of a 4-year degree.
7. Reporting Structure: the Council Office of Legislative Analysis and the Office of the Independent Budget Analyst ~~Office of Analysis~~ reporting structure should be prioritized

as follows: 1. City Council as a whole, 2. Presiding Officer, 3. Committee Chairs, and 4. Individual Councilmembers.

8. In-house versus Contract Services: The Council Office of Legislative Analysis and the Office of the Independent Budget Analyst~~Office of Analysis~~ should be staffed with in-house staff members to enable a close working relationship with Councilmembers, especially during the early years of the transition.
9. Office Location: the Council Office of Legislative Analysis and the Office of the Independent Budget Analyst~~Office of Analysis~~ should be located near Council staff, either on the 10th or 3rd floors of the City Administration Building.
10. Budgeting for the Council Office of Legislative Analysis and the Office of the Independent Budget Analyst~~Office of Analysis~~: Once the Council determines the structure of the office, the Council should direct the City Manager to conduct further analysis of how positions could be reallocated to try to achieve a cost-neutral, or as close to a cost-neutral solution as possible.

CONCLUSION

The Strong Mayor-Strong Council form of government will transform San Diego City government into a system where executive powers are vested in the Mayor and legislative powers are vested in the City Council. The role of the City Manager, and City departments as “independent bodies” will change as the City Manager and these department are directed by and answer to the Office of the Mayor. It is reasonable to assume the “point of view” of these departments will favor the vision and priorities of the chief executive. Therefore it is important that the City Council have an adequate number of professional staff, independent of the Office of the Mayor, to analyze and review the annual budget and other policy proposals by the Mayor’s office. The Council must also have adequate staffing to allow for the creation of legislative proposals the City Council deems necessary and in the best interest of the citizens of San Diego. The Council Office of Legislative Analysis and the Office of the Independent Budget Analyst~~Office of Analysis~~ contemplated in this report, coupled with the individual Councilmember’s staff will provide the Council the necessary resources.

Respectfully submitted,



Councilmember Scott Peters
Chair, Council Transition Committee

Attachments: Consultant Report on the Independent Budget Analyst
 Consultant Report on the Office of Legislative Analysis
 Citizens Advisory Committee Report to the City Council

* Attachments were not re-issued with this updated report.